

NSC BRIEFING

11 June 1957

POLISH REACTION TO US LOAN

I. Polish reaction generally favorable.

A. Press stressed \$95 million total, played down partial sum agreed upon last week.

1. Said loan will provide goods "necessary to our economy on convenient credit terms."

B. Party paper, Trybuna Ludu, noted that agreement "free of any political conditions or obligations."

1. "Agreement was exactly as we wished it to be and as we from first moment suggested it to be to our American partner."

C. These remarks balanced by:

1. Favorable treatment of Soviet bloc aid.

2. Trybuna Ludu statement that aid will not "directly improve our living conditions or...precipitate new and hasty steps in agricultural policy."

II. Gomulka set ^{RESTRAINED} tone in key speech at Poznan on 5 June.

A. Said aid "can contribute to alleviation of our present economic difficulties," but interest rate was "considerably higher" than interest on credits from Bloc.

B. Also noted that credit "is very modest" but important because economic relations with West would help relax international tension.

III. American embassy in Warsaw assesses "man in street" reaction as pleasure at outcome and guarded but definite increase in optimism for future.

A. These feelings reinforced by US participation in Poznan fair now in progress.

1. 100,000 Poles trooped through American exhibit in first 12 hours, far more than visited Soviet pavilion.

IV. Feeling of closer identification with US and higher popular morale, should boost Gomulka regime's prestige at home.

V. No Soviet reaction yet, but Kremlin undoubtedly views with suspicion any Polish efforts to improve economic relations with West.